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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0068 Rice export market resumed trading \$15-20/MT lower from the last quotations of two weeks ago, in addition domestic prices declined significantly by 10 percent as few enquiries were sought from foreign buyers. The weekly benchmark prices for April 19-25 were slightly higher than for the previous week; however the benchmark remains higher than market prices. Farmers who sell in this period will not attain insurance price levels, as compensation falls short to bridge this gap.

Post:

Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Weekending Apr. 19, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV. (Apr. 5)
F WR 100 B	970	-	980	-	980	950	-	970	973
WR 100 B	470	-	520	-	500	510	500	500	521
PB 100%	470	-	520	-	500	510	500	500	519
PB 5%	450	-	515	-	495	505	495	492	513
WR 5%	430	-	490	-	480	480	480	472	490
WR 10%	420	-	480	-	470	475	-	461	474
WR 15%	400	-	465	-	-	465	-	443	458
WR 25%	380	-	435	-	-	440	-	418	433
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	330	-	380	-	370	375	-	364	364
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.15 baht/US \$

Source: Average actual prices received from exporters

The rice export market resumed trading \$15-20/MT lower from the last quotations of two weeks ago, also domestic prices declined significantly by 10 percent as unusually few enquiries were sought from foreign buyers. This in part to the large price differences between Thai rice, Vietnamese rice and other substitutable commodities, but by and large due to foreign buyers' risk aversion to the current political unrest. Meanwhile, some millers are reportedly releasing speculative stocks to cushion their tight liquidity adding downward pressure to prices. The government's stock release policy remains uncertain while holding a record 5-6 million tons. The government's direct purchase program has not been effective in halting the price declines, as millers are yet to participate in the program waiting for the government to approve program modifications aimed at providing incentives to buy off-season white rice paddy.

The weekly benchmark prices for April 19-25 were slightly higher than the week before the Thai new-year holiday; as such farmers will receive less compensation. Moreover, the compensation continues to fall short in attaining insurance price levels, as the spread between the benchmark prices and the market prices gets larger.

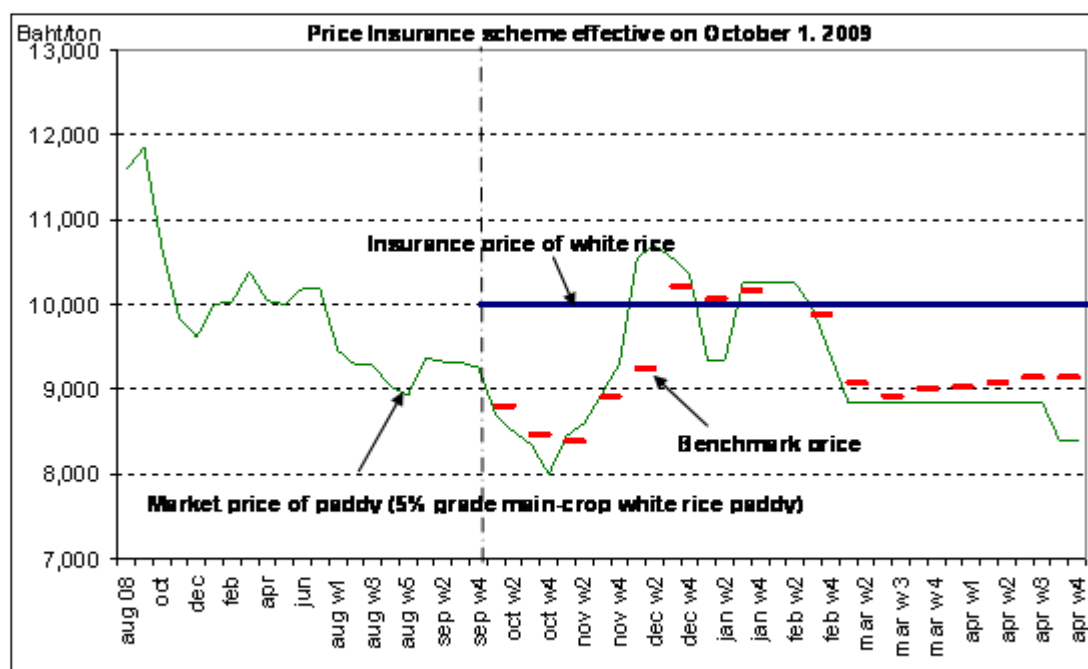
Table 2: Price Insurance Scheme for MY2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hom Mali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{c/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/}					
Mar. 22-28, 2010	-	-	10,317	10,374	9,006
Mar. 29 - Apr. 4	-	-	10,550	10,505	9,033
Apr. 5-11	-	-	10,912	10,633	9,087
Apr. 12-18	-	-	10,433	11,094	9,142
Apr. 19-25	-	-	10,433	11,094	9,142
4. Compensation (1-2), (Baht/ton)					
Mar. 22-28, 2010	-	-	683	-	994
Mar. 29 - Apr. 4	-	-	450	-	967
Apr. 5-11	-	-	88	-	913
Apr. 12-18	-	-	567	-	858
Apr. 19-25	-	-	567	-	858
5. Market prices (Baht/ton)					
Mar. 22-28	13,850	13,900	10,750	11,250	8,850
Mar. 29 - Apr. 4	13,850	13,900	10,300	11,850	8,850
Apr. 5-11	13,850	13,900	9,900	12,850	8,650
Apr. 12-16 ^{d/}	13,850	13,900	9,700	12,250	8,400

Note:

^{a/} Cabinet approval on Sep. 22, 2009^{b/} Starting March 15, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last week in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.^{c/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY 2009/10 main-crop price insurance scheme, effective Mar. 16, 2010^{d/} As of Apr. 12, 2010

Figure 2: Comparison of market price, insurance price, and benchmark price



Note: Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for April 12-18, 2010 totaled 55,038 tons, down 61,149 tons from the previous week, and down 36,506 tons from the four-week moving average of 91,545 tons. Exports of white rice and parboiled rice during January 1 – April 18, 2010 totaled 1,777,507 tons, up 19.0 percent from 1,493,624 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – April 8, 2010 amounted to 2,283,641 tons, up 2.8 percent from 2,221,844 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Jan 31	104,448	131,226	526	428	22.9
Feb 7	98,535	128,035	624	545	14.7
Feb 14	121,947	115,559	746	654	14.1
Feb 21	139,182	116,028	886	783	13.1
Feb 28	157,915	129,395	1,043	880	18.6
Mar 7	135,227	138,568	1,178	974	21.0
Mar 14	113,829	136,538	1,292	1,077	19.9
Mar 21	119,203	131,543	1,411	1,166	21.1
Mar 28	93,840	115,525	1,505	1,254	20.0
Apr 4	101,112	106,996	1,606	1,358	18.3
Apr 11	116,187	107,586	1,722	1,446	19.1
Apr 18	55,038	91,545	1,778	1,494	19.0

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales

Movement (MT)	Mar. 29 - Apr. 2 (revised)	Apr. 5-9	Apr. 12-16
Weekly sales	111,569	123,868	24,250
4 week sum	473,368	413,191	351,174
4 week mov. avg.	118,342	103,298	87,794
Year-to-date sales	1,828,579	1,952,447	1,976,697

End of report.